

MEETING SUMMARY
FOREST MANAGEMENT ADVISORY COMMITTEE MEETING (FMAC)

Michigan United Conservation Clubs
2101 Wood Street, Lansing, Michigan
Wednesday, March 7, 2007
1 p.m.

FMAC Members Present

Mr. William “Bill” Bobier, Earthscape Resource Management
Ms. Lynne Boyd, Department of Natural Resources, Forest, Mineral, and Fire Management
Mr. William “Bill” Cook, Michigan State University (MSU) Extension
Mr. Desmond Jones, Michigan Tree Farm System
Mr. William “Bill” Manson, Michigan Snowmobile Association
Mr. Warren Suchovsky, Suchovsky Logging
Mr. Stephen Shine, Michigan Department of Agriculture (MDA) for Gordon Wenk
Ms. Donna Stine, Michigan United Conservation Clubs (MUCC)
Ms. Anne Woiwode, Sierra Club Mackinac Chapter

FMAC Members Absent

Mr. Steven Arwood, Arwood Group
Mr. Joel Blohm, Great Northern Lumber of Michigan
Mr. Thomas Dunn, American Motorcycle Association
Ms. Margaret “Peg” Gale, Michigan Technological University
Ms. Susan Holben, Michigan Economic Development Corporation
Mr. Mark Janke, Janke Consulting
Mr. Dan Keathley, Michigan State University
Mr. Frank Ruswick, Department of Environmental Quality (DEQ)
Mr. Gordon Wenk, MDA

FMAC COMMITTEE ADVISORS PRESENT

Ms. Leanne Marten, USDA Forest Service

PUBLIC ATTENDEES/GUESTS

Mr. George Berghorn, Michigan Forest Products Council
Ms. Rachel Kuntzsch, Heart of the Lakes
Mr. Todd Parker, Delta Institute

DEPARTMENT OF NATURAL RESOURCES (DNR) STAFF PRESENT

Ms. Cara Boucher, FMFM
Mr. Dennis Fedewa, Chief Deputy
Ms. Kerry Gray, FMFM
Ms. Debra Huff, FMFM

Lynne Boyd called meeting to order at 1:10 p.m.

ADOPTION OF AGENDA

Lynne Boyd provided overview of agenda items. Moved DNR Recognition Policy to the top of the agenda.

MOTION: **Lynne Boyd** moved to adopt the meeting agenda. Supported by **Warren Suchovsky**. Motion carried.

ADOPTION OF MEETING SUMMARY

MOTION: **Warren Suchovsky** moved to adopt the Wednesday, January 17, 2007 meeting Summary. Supported by **Desmond Jones**. Motion carried.

DNR Recognition Policy

The DNR Recognition Policy is currently being revised. **Dennis Fedewa**, DNR Chief Deputy, provided background and discussed the proposed changes to the policy. The Recognition policy is used in the naming of DNR properties (ex: trails, state parks). The revision of the Recognition Policy was brought about by a situation that occurred last year involving one of the DNR partner organization and a Foundation. The partner, Friends of the White Pine State Trail, has been helping the DNR in creating the 96 mile trail that extends from Comstock Park to Cadillac. The group received a Federal grant to pave a small portion of the trail, but the DNR was unable to match the grant, so the group went to a Foundation for the match. The Foundation agreed to fund the project but in return for the funding asked that the entire trail be named after the founder of the foundation. The DNR denied the request of the Foundation to rename the trail but last year the legislature passed PA 248 renaming the trail after the Foundation founder. PA 248 also required the DNR to develop criteria for naming and recognition of other DNR properties.

Dennis Fedewa provided a copy of the revised policy and a handout of examples of different forms of recognition and how the new policy would address them. The proposed policy will retain the NRC's authority in naming properties in perpetuity but would add that all other naming authority be granted to the Director. The draft policy has gone before the NRC Land Committee but **Dennis Fedewa** would like the formal support of the FMAC before he returns to the Land Committee with the final version of the policy in early summer.

FMAC members agreed to review the policy and to discuss at their April 4 meeting.

DNR and Delta Institute's Private Forest Landowner Carbon Pilot Project

Todd Parker provided a handout and discussed the program. The Delta Institute, with funding from the DNR's Forest Stewardship Program, has been working on a pilot program that allows private non-industrial forest landowners to earn revenue through the sale of carbon credits from carbon sequestered on forested lands that are managed working forests. The carbon credits are sold on the Chicago Climate Exchange (CCX). The Delta Institute has been developing a framework for how much carbon is sequestered from private forest lands. The CCX will only allow carbon trading of the carbon that is sequestered from annual growth. Once they have

developed the carbon sequestration framework they will bring it to the CCX to for a baseline determination in the summer of 2007.

The Delta Institute is working with Jerry Grossman and Jerry Lambert to sign up landowners to participate in the pilot program. Any landowner who participates in the program must have a Forest Stewardship Plan. There are currently 21 contracts signed with 48,000 acres enrolled all in the Upper Peninsula. Acres in the Lower Peninsula will be also in the process of being enrolled. Landowners in the pilot program will sell carbon credits on the CCX from 2007-2010. Currently the CCX is only scheduled to run through 2010. **Debra Huff**, the DNR's Forest Stewardship Coordinator, assisted **Todd Parker** in answering FMAC members' questions about the program.

PUBLIC COMMENT- None

CONSERVATION SUMMIT

Rachel Kuntzsch with Heart of Lakes and **Donna Stine** with MUCC discussed what has occurred following the February Conservation Summit. They organized a follow-up Summit meeting on February 22. The meeting discussed work that needed to be done including conducting more research on funding options that are both feasible and politically supported. They have discovered that Michigan Legislators don't believe that citizens are interested or care about natural resources and therefore don't have it as a high priority. **Rachel Kuntzsch and Donna Stine** sent an email to all Summit attendees on March 7 asking them to contact their Legislator and tell them to support and fund Michigan's natural resources. They said that citizens and groups need to contact their Legislators quickly about this issue. The next follow-up meeting to the Conservation Summit is April 9 at 2 p.m. at MUCC in Lansing.

Rachel Kuntzsch provided statistics on general fund tax dollar spending: \$12 per capita to fund legislature; \$180 per capita to fund corrections; \$2.50 per capita to fund DNR (half of which goes to pay Payment in Lieu of Taxes). FMAC members discussed the DNR's budget deficit and the importance of getting information to citizens on the DNR/DEQ/MDA budgets.

Timber Sales Update

Lynne Boyd provided a brief background on timber sales in Michigan. Forest Development Fund balance has decreased due to down turn in timber sales. The Division is looking at its timber sale process in the areas of the appraisal, no-bid sales, and free extensions

Cara Boucher provided information on what FMFM has been doing in each of these areas.

- **Appraisal process**
 - Changed from using the last 12 months of timber sales as the baseline appraisal price to using the last 6 months.
 - When determining the sale's value, if field staff believe that the minimum bid price does not reflect current local conditions they can use a different price, they just need to document the reason for the change in price.
 - Prior to advertising the sale for bid, the sales are sent back to the field staff to review the appraisal prices and revise if appropriate. This will ensure that prices will be as up to date as possible (4-6 weeks old at the most).

- **No Bid Sales**
 - They are moving much more quickly through the system.
 - Of the 74 no-bid sales in 2006- all have either been sold or re-bid
 - There have been 62 no-bid sales in 2007 (since October 2006).
 - Field staff have four choices of what they can do with the no bids. No matter what their choice is they must make a decision within 7 days of receiving a no-bid sale.
 1. Leave bid out for an additional 21 days to be picked-up at minimum price
 2. Re-advertise bid with a reduced bid price (must be done within a few weeks)
 3. Re-advertise bid with reduced bid price and reduced specifications
 4. Withdraw sale from market at this time.
- **Extensions**
 - Purchasers can receive market related extensions on the sales they bid. There are two types of extensions, a free extension and a paid extension. The charge on a paid extension is 5% for the first extension, 10% for the second extension.
 - Six factors are considered by DNR for a market related free extension request:
 1. Sale Location
 2. Length of sale and activity
 3. Species and products selling
 4. Purchaser's history
 5. Local mill information
 6. Current appraisal price today, compared with when they bought it

NEXT MEETINGS

Wednesday, April 4, 2007

Michigan United Conservation Clubs
2101 Wood St., Lansing
1 p.m. – 4 p.m.

Agenda items:

Conservation District Forester presentation
DNR Eco-regional planning concept (David Price- FMFM)
DNR Recognition Policy (Action)
Estimating Revenue

Wednesday, May 2, 2007

Michigan United Conservation Clubs
2101 Wood Street, Lansing
1 p.m. – 4 p.m.

Agenda items:

Chris Risbrudt, PhD- Director Forest Products Lab, USDA Forest Service

Meeting adjourned at 4:15 p.m.